

106TH CONGRESS  
2D SESSION

# H. R. 4788

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## AN ACT

To amend the United States Grain Standards Act to extend the authority of the Secretary of Agriculture to collect fees to cover the cost of services performed under that Act, extend the authorization of appropriations for that Act, and improve the administration of that Act, to reenact the United States Warehouse Act to require the licensing and inspection of warehouses used to store agricultural products and provide for the issuance of receipts, including electronic receipts, for agricultural products stored or handled in licensed warehouses, and for other purposes.



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cultural products and provide for the issuance of receipts, including electronic receipts, for agricultural products stored or handled in licensed warehouses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
 5 “Grain Standards and Warehouse Improvement Act of  
 6 2000”.

7 (b) TABLE OF CONTENTS.—The table of contents of  
 8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GRAIN STANDARDS

Sec. 101. Sampling for export grain.  
 Sec. 102. Geographic boundaries for official agencies.  
 Sec. 103. Authorization to collect fees.  
 Sec. 104. Testing of equipment.  
 Sec. 105. Limitation on administrative and supervisory costs.  
 Sec. 106. Licenses and authorizations.  
 Sec. 107. Grain additives.  
 Sec. 108. Authorization of appropriations.  
 Sec. 109. Advisory committee.  
 Sec. 110. Conforming amendments.  
 Sec. 111. Special effective date for certain expired provisions.

TITLE II—WAREHOUSES

Sec. 201. Storage of agricultural products in warehouses.  
 Sec. 202. Regulations.

9 **TITLE I—GRAIN STANDARDS**

10 **SEC. 101. SAMPLING FOR EXPORT GRAIN.**

11 Section 5(a)(1) of the United States Grain Standards  
 12 Act (7 U.S.C. 77(a)(1)) is amended by striking “(on the

1 basis” and all that follows through “from the United  
2 States)”.

3 **SEC. 102. GEOGRAPHIC BOUNDARIES FOR OFFICIAL AGEN-**  
4 **CIES.**

5 (a) INSPECTION AUTHORITY.—Section 7(f) of the  
6 United States Grain Standards Act (7 U.S.C. 79(f)) is  
7 amended by striking paragraph (2) and inserting the fol-  
8 lowing:

9 “(2) GEOGRAPHIC BOUNDARIES FOR OFFICIAL  
10 AGENCIES.—Not more than one official agency des-  
11 ignated under paragraph (1) or State delegated au-  
12 thority under subsection (e)(2) to carry out the in-  
13 spection provisions of this Act shall be operative at  
14 the same time in any geographic area defined by the  
15 Secretary, except that, if the Secretary determines  
16 that the presence of more than one designated offi-  
17 cial agency in the same geographic area will not un-  
18 dermine the policy stated in section 2, the Secretary  
19 may—

20 “(A) allow more than one designated offi-  
21 cial agency to carry out inspections within the  
22 same geographical area as part of a pilot pro-  
23 gram; and

24 “(B) allow a designated official agency to  
25 cross boundary lines to carry out inspections in

1 another geographic area if the Secretary also  
2 determines that—

3 “(i) the current designated official  
4 agency for that geographic area is unable  
5 to provide inspection services in a timely  
6 manner;

7 “(ii) a person requesting inspection  
8 services in that geographic area has not  
9 been receiving official inspection services  
10 from the current designated official agency  
11 for that geographic area; or

12 “(iii) a person requesting inspection  
13 services in that geographic area requests a  
14 probe inspection on a barge-lot basis.”.

15 (b) WEIGHING AUTHORITY.—Section 7A(i) of the  
16 United States Grain Standards Act (7 U.S.C. 79a(i)) is  
17 amended—

18 (1) by striking “(i) No” and inserting the fol-  
19 lowing:

20 “(i) UNAUTHORIZED WEIGHING PROHIBITED.—

21 “(1) IN GENERAL.—No”;

22 (2) by striking the second sentence; and

23 (3) by adding at the end the following:

24 “(2) GEOGRAPHIC BOUNDARIES FOR OFFICIAL  
25 AGENCIES.—Not more than one designated official

1 agency referred to in paragraph (1) or State agency  
2 delegated authority pursuant to subsection (c)(2) to  
3 carry out the weighing provisions of this Act shall be  
4 operative at the same time in any geographic area  
5 defined by the Secretary, except that, if the Sec-  
6 retary determines that the presence of more than  
7 one designated official agency in the same geo-  
8 graphic area will not undermine the policy stated in  
9 section 2, the Secretary may—

10 “(A) allow more than one designated offi-  
11 cial agency to carry out the weighing provisions  
12 within the same geographical area as part of a  
13 pilot program; and

14 “(B) allow a designated official agency to  
15 cross boundary lines to carry out the weighing  
16 provisions in another geographic area if the  
17 Secretary also determines that—

18 “(i) the current designated official  
19 agency for that geographic area is unable  
20 to provide the weighing services in a timely  
21 manner; or

22 “(ii) a person requesting weighing  
23 services in that geographic area has not  
24 been receiving official weighing services

1 from the current designated official agency  
2 for that geographic area.”.

3 **SEC. 103. AUTHORIZATION TO COLLECT FEES.**

4 (a) INSPECTION AND SUPERVISORY FEES.—Section  
5 7(j)(4) of the United States Grain Standards Act (7  
6 U.S.C. 79(j)(4)) is amended in the first sentence by strik-  
7 ing “2000” and inserting “2005”.

8 (b) WEIGHING AND SUPERVISORY FEES.—Section  
9 7A(l)(3) of the United States Grain Standards Act (7  
10 U.S.C. 79a(l)(3)) is amended in the first sentence by strik-  
11 ing “2000” and inserting “2005”.

12 **SEC. 104. TESTING OF EQUIPMENT.**

13 Section 7B(a) of the United States Grain Standards  
14 Act (7 U.S.C. 79b(a)) is amended in the first sentence  
15 by striking “but at least annually and”.

16 **SEC. 105. LIMITATION ON ADMINISTRATIVE AND SUPER-**  
17 **VISORY COSTS.**

18 Section 7D of the United States Grain Standards Act  
19 (7 U.S.C. 79d) is amended—

20 (1) by striking “2000” and inserting “2005”;

21 and

22 (2) by striking “40 per centum” and inserting  
23 “30 percent”.



1 **SEC. 106. LICENSES AND AUTHORIZATIONS.**

2 Section 8(a)(3) of the United States Grain Standards  
3 Act (7 U.S.C. 84(a)(3)) is amended by inserting “inspec-  
4 tion, weighing,” after “laboratory testing,”.

5 **SEC. 107. GRAIN ADDITIVES.**

6 Section 13(e)(1) of the United States Grain Stand-  
7 ards Act (7 U.S.C. 87b(e)(1)) is amended by inserting “,  
8 or prohibit disguising the quality of grain,” after “sound  
9 and pure grain”.

10 **SEC. 108. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 19 of the United States Grain Standards Act  
12 (7 U.S.C. 87h) is amended by striking “2000” and insert-  
13 ing “2005”.

14 **SEC. 109. ADVISORY COMMITTEE.**

15 Section 21(e) of the United States Grain Standards  
16 Act (7 U.S.C. 87j(e)) is amended by striking “2000” and  
17 inserting “2005”.

18 **SEC. 110. CONFORMING AMENDMENTS.**

19 (a) OBSOLETE STUDIES AND REPORTS.—Section 8  
20 of the United States Grain Standards Act of 1976 (7  
21 U.S.C. 79 note; Public Law 94–582) is amended—

22 (1) by striking “(a)”; and

23 (2) by striking subsection (b).

24 (b) TEMPORARY AUTHORITIES AND STUDY.—Sec-  
25 tions 23, 24, and 25 of the United States Grain Standards

1 Act of 1976 (7 U.S.C. 87e–1, 7 U.S.C. 76 note; Public  
2 Law 94–582) are repealed.

3 (c) TRANSITIONAL PROVISION.—Section 27 of the  
4 United States Grain Standards Act of 1976 (7 U.S.C. 74  
5 note; Public Law 94–582) is amended by striking “; and  
6 thereafter” and all that follows and inserting a period.

7 **SEC. 111. SPECIAL EFFECTIVE DATE FOR CERTAIN EX-**  
8 **PIRED PROVISIONS.**

9 The amendments made by sections 103, 105, 108,  
10 and 109 shall take effect as if enacted on September 30,  
11 2000.

12 **TITLE II—WAREHOUSES**

13 **SEC. 201. STORAGE OF AGRICULTURAL PRODUCTS IN**  
14 **WAREHOUSES.**

15 The United States Warehouse Act (7 U.S.C. 241 et  
16 seq.) is amended to read as follows:

17 **“SECTION 1. SHORT TITLE.**

18 “This Act may be cited as the ‘United States Ware-  
19 house Act’.

20 **“SEC. 2. DEFINITIONS.**

21 “In this Act:

22 “(1) AGRICULTURAL PRODUCT.—The term ‘ag-  
23 ricultural product’ means an agricultural commodity,  
24 as determined by the Secretary, including a proc-  
25 essed product of an agricultural commodity.

1           “(2) APPROVAL.—The term ‘approval’ means  
2           the consent provided by the Secretary for a person  
3           to engage in an activity authorized by this Act.

4           “(3) DEPARTMENT.—The term ‘Department’  
5           means the Department of Agriculture.

6           “(4) ELECTRONIC DOCUMENT.—The term ‘elec-  
7           tronic document’ means a document that is gen-  
8           erated, sent, received, or stored by electronic, opti-  
9           cal, or similar means, including electronic data inter-  
10          change, electronic mail, telegram, telex, or telecopy.

11          “(5) ELECTRONIC RECEIPT.—The term ‘elec-  
12          tronic receipt’ means a receipt that is authorized by  
13          the Secretary to be issued or transmitted under this  
14          Act in the form of an electronic document.

15          “(6) HOLDER.—The term ‘holder’ means a per-  
16          son that has possession in fact or by operation of  
17          law of a receipt or any electronic document.

18          “(7) PERSON.—The term ‘person’ means—

19                 “(A) a person (as defined in section 1 of  
20                 title 1, United States Code);

21                 “(B) a State; and

22                 “(C) a political subdivision of a State.

23          “(8) RECEIPT.—The term ‘receipt’ means a  
24          warehouse receipt issued in accordance with this  
25          Act, including an electronic receipt.

1           “(9) SECRETARY.—The term ‘Secretary’ means  
2     the Secretary of Agriculture.

3           “(10) WAREHOUSE.—The term ‘warehouse’  
4     means a structure or other approved storage facility,  
5     as determined by the Secretary, in which any agri-  
6     cultural product may be stored or handled for the  
7     purposes of interstate or foreign commerce.

8           “(11) WAREHOUSE OPERATOR.—The term  
9     ‘warehouse operator’ means a person that is lawfully  
10    engaged in the business of storing or handling agri-  
11    cultural products.

12   **“SEC. 3. POWERS OF SECRETARY.**

13       “(a) IN GENERAL.—The Secretary shall have exclu-  
14    sive power, jurisdiction, and authority, to the extent that  
15    this Act applies, with respect to—

16       “(1) each warehouse operator licensed under  
17    this Act;

18       “(2) each person that has obtained an approval  
19    to engage in an activity under this Act; and

20       “(3) each person claiming an interest in an ag-  
21    ricultural product by means of a document or receipt  
22    subject to this Act.

23       “(b) COVERED AGRICULTURAL PRODUCTS.—The  
24    Secretary shall specify, after an opportunity for notice and

1 comment, those agricultural products for which a ware-  
2 house license may be issued under this Act.

3 “(c) INVESTIGATIONS.—The Secretary may inves-  
4 tigate the storing, warehousing, classifying according to  
5 grade and otherwise, weighing, and certifying of agricul-  
6 tural products.

7 “(d) INSPECTIONS.—The Secretary may inspect or  
8 cause to be inspected any person or warehouse licensed  
9 under this Act and any warehouse for which a license is  
10 applied for under this Act.

11 “(e) SUITABILITY FOR STORAGE.—The Secretary  
12 may determine whether a licensed warehouse, or a ware-  
13 house for which a license is applied for under this Act,  
14 is suitable for the proper storage of the agricultural prod-  
15 uct or products stored or proposed for storage in the ware-  
16 house.

17 “(f) CLASSIFICATION.—The Secretary may classify a  
18 licensed warehouse, or a warehouse for which a license is  
19 applied for under this Act, in accordance with the owner-  
20 ship, location, surroundings, capacity, conditions, and  
21 other qualities of the warehouse and as to the kinds of  
22 licenses issued or that may be issued for the warehouse  
23 under this Act.

24 “(g) WAREHOUSE OPERATOR’S DUTIES.—Subject to  
25 the other provisions of this Act, the Secretary may pre-

1 scribe the duties of a warehouse operator operating a  
2 warehouse licensed under this Act with respect to the  
3 warehouse operator's care of and responsibility for agricul-  
4 tural products stored or handled by the warehouse oper-  
5 ator.

6 “(h) SYSTEMS FOR ELECTRONIC CONVEYANCE.—

7 “(1) REGULATIONS GOVERNING ELECTRONIC  
8 SYSTEMS.—Except as provided in paragraph (2), the  
9 Secretary may promulgate regulations governing one  
10 or more electronic systems under which electronic  
11 receipts may be issued and transferred and other  
12 electronic documents relating to the shipment, pay-  
13 ment, and financing of the sale of agricultural prod-  
14 ucts may be issued or transferred.

15 “(2) LIMITATIONS.—The Secretary shall not  
16 have the authority under this Act to establish—

17 “(A) one or more central filing systems for  
18 the filing of financing statements or the filing  
19 of the notice of financing statements; or

20 “(B) rules to determine security interests  
21 of persons affected by this Act.

22 “(i) EXAMINATION AND AUDITS.—In addition to the  
23 authority provided under subsection (l), on request of the  
24 person, State agency, or commodity exchange, the Sec-

1   retary may conduct an examination, audit, or similar ac-  
2   tivity with respect to—

3           “(1) any person that is engaged in the business  
4           of storing an agricultural product that is subject to  
5           this Act;

6           “(2) any State agency that regulates the stor-  
7           age of an agricultural product by such a person; or

8           “(3) any commodity exchange with regulatory  
9           authority over the storage of agricultural products  
10          that are subject to this Act.

11          “(j) LICENSES FOR OPERATION OF WAREHOUSES.—  
12   The Secretary may issue to any warehouse operator a li-  
13   cense for the operation of a warehouse in accordance with  
14   this Act if—

15           “(1) the Secretary determines that the ware-  
16           house is suitable for the proper storage of the agri-  
17           cultural product or products stored or proposed for  
18           storage in the warehouse; and

19           “(2) the warehouse operator agrees, as a condi-  
20           tion of the license, to comply with this Act (includ-  
21           ing regulations promulgated under this Act).

22          “(k) LICENSING OF OTHER PERSONS.—

23           “(1) IN GENERAL.—On presentation of satisfac-  
24           tory proof of competency to carry out the activities

1 described in this paragraph, the Secretary may issue  
2 to any person a Federal license—

3 “(A) to inspect any agricultural product  
4 stored or handled in a warehouse subject to this  
5 Act;

6 “(B) to sample such an agricultural prod-  
7 uct;

8 “(C) to classify such an agricultural prod-  
9 uct according to condition, grade, or other class  
10 and certify the condition, grade, or other class  
11 of the agricultural product; or

12 “(D) to weigh such an agricultural product  
13 and certify the weight of the agricultural prod-  
14 uct.

15 “(2) CONDITION.—As a condition of a license  
16 issued under paragraph (1), the licensee shall agree  
17 to comply with this Act (including regulations pro-  
18 mulgated under this Act).

19 “(l) EXAMINATION OF BOOKS, RECORDS, PAPERS,  
20 AND ACCOUNTS.—The Secretary may examine and audit,  
21 using designated officers, employees, or agents of the De-  
22 partment, all books, records, papers, and accounts relating  
23 to activities subject to this Act of—

24 “(1) a warehouse operator operating a ware-  
25 house licensed under this Act;



1           “(2) a person operating a system for the elec-  
2       tronic recording and transfer of receipts and other  
3       documents authorized by the Secretary; or

4           “(3) any other person issuing receipts or elec-  
5       tronic documents authorized by the Secretary under  
6       this Act.

7       “(m) COOPERATION WITH STATES.—The Secretary  
8   may—

9           “(1) cooperate with officers and employees of a  
10      State who administer or enforce State laws relating  
11      to warehouses, warehouse operators, weighers, grad-  
12      ers, inspectors, samplers, or classifiers; and

13          “(2) enter into cooperative agreements with  
14      States to perform activities authorized under this  
15      Act.

16   **“SEC. 4. IMPOSITION AND COLLECTION OF FEES.**

17          “(a) IN GENERAL.—The Secretary shall assess per-  
18      sons covered by this Act fees to cover the costs of admin-  
19      istering this Act.

20          “(b) RATES.—The fees under this section shall be set  
21      at a rate determined by the Secretary.

22          “(c) TREATMENT OF FEES.—All fees collected under  
23      this section shall be credited to the account that incurs  
24      the costs of administering this Act and shall be available

1 to the Secretary without further appropriation and with-  
2 out fiscal year limitation.

3 “(d) INTEREST.—Funds collected under this section  
4 may be deposited in an interest-bearing account with a  
5 financial institution, and any interest earned on the ac-  
6 count shall be credited under subsection (c).

7 “(e) EFFICIENCIES AND COST EFFECTIVENESS.—

8 “(1) IN GENERAL.—The Secretary shall seek to  
9 minimize the fees established under this section by  
10 improving efficiencies and reducing costs, including  
11 the efficient use of personnel to the extent prac-  
12 ticable and consistent with the effective implementa-  
13 tion of this Act.

14 “(2) REPORT.—The Secretary shall publish an  
15 annual report on the actions taken by the Secretary  
16 to comply with paragraph (1).

17 **“SEC. 5. QUALITY AND VALUE STANDARDS.**

18 “If standards for the evaluation or determination of  
19 the quality or value of an agricultural product are not es-  
20 tablished under another Federal law, the Secretary may  
21 establish standards for the evaluation or determination of  
22 the quality or value of the agricultural product under this  
23 Act.

1   **“SEC. 6. BONDING AND OTHER FINANCIAL ASSURANCE RE-**  
2                   **QUIREMENTS.**

3           “(a) IN GENERAL.—As a condition of receiving a li-  
4   cense or approval under this Act (including regulations  
5   promulgated under this Act), the person applying for the  
6   license or approval shall execute and file with the Sec-  
7   retary a bond, or provide such other financial assurance  
8   as the Secretary determines appropriate, to secure the per-  
9   son’s performance of the activities so licensed or approved.

10          “(b) SERVICE OF PROCESS.—To qualify as a suitable  
11   bond or other financial assurance under subsection (a),  
12   the surety, sureties, or financial institution shall be subject  
13   to service of process in suits on the bond or other financial  
14   assurance in the State, district, or territory in which the  
15   warehouse is located.

16          “(c) ADDITIONAL ASSURANCES.—If the Secretary de-  
17   termines that a previously approved bond or other finan-  
18   cial assurance is insufficient, the Secretary may suspend  
19   or revoke the license or approval covered by the bond or  
20   other financial assurance if the person that filed the bond  
21   or other financial assurance does not provide such addi-  
22   tional bond or other financial assurance as the Secretary  
23   determines appropriate.

24          “(d) THIRD PARTY ACTIONS.—Any person injured by  
25   the breach of any obligation arising under this Act for  
26   which a bond or other financial assurance has been ob-

1 tained as required by this section may sue with respect  
2 to the bond or other financial assurance in a district court  
3 of the United States to recover the damages that the per-  
4 son sustained as a result of the breach.

5 **“SEC. 7. MAINTENANCE OF RECORDS.**

6 “To facilitate the administration of this Act, the fol-  
7 lowing persons shall maintain such records and make such  
8 reports, as the Secretary may by regulation require:

9 “(1) A warehouse operator that is licensed  
10 under this Act.

11 “(2) A person operating a system for the elec-  
12 tronic recording and transfer of receipts and other  
13 documents that are authorized under this Act.

14 “(3) Any other person engaged in the issuance  
15 of electronic receipts or the transfer of documents  
16 under this Act.

17 **“SEC. 8. FAIR TREATMENT IN STORAGE OF AGRICULTURAL**  
18 **PRODUCTS.**

19 “(a) IN GENERAL.—Subject to the capacity of a  
20 warehouse, a warehouse operator shall deal, in a fair and  
21 reasonable manner, with persons storing, or seeking to  
22 store, an agricultural product in the warehouse if the agri-  
23 cultural product—

1           “(1) is of the kind, type, and quality custom-  
 2           arily stored or handled in the area in which the  
 3           warehouse is located;

4           “(2) is tendered to the warehouse operator in a  
 5           suitable condition for warehousing; and

6           “(3) is tendered in a manner that is consistent  
 7           with the ordinary and usual course of business.

8           “(b) ALLOCATION.—Nothing in this section prohibits  
 9           a warehouse operator from entering into an agreement  
 10          with a depositor of an agricultural product to allocate  
 11          available storage space.

12       **“SEC. 9. COMMINGLING OF AGRICULTURAL PRODUCTS.**

13          “(a) IN GENERAL.—A warehouse operator may com-  
 14          mingle agricultural products in a manner approved by the  
 15          Secretary.

16          “(b) LIABILITY.—A warehouse operator shall be sev-  
 17          erally liable to each depositor or holder for the care and  
 18          redelivery of the share of the depositor and holder of the  
 19          commingled agricultural product to the same extent and  
 20          under the same circumstances as if the agricultural prod-  
 21          ucts had been stored separately.

22       **“SEC. 10. TRANSFER OF STORED AGRICULTURAL PROD-**  
 23               **UCTS.**

24          “(a) IN GENERAL.—In accordance with regulations  
 25          promulgated under this Act, a warehouse operator may

1 transfer a stored agricultural product from one warehouse  
2 to another warehouse for continued storage.

3 “(b) CONTINUED DUTY.—The warehouse operator  
4 from which agricultural products have been transferred  
5 under subsection (a) shall deliver to the rightful owner of  
6 such products, on request at the original warehouse, such  
7 products in the quantity and of the kind, quality, and  
8 grade called for by the receipt or other evidence of storage  
9 of the owner.

10 **“SEC. 11. WAREHOUSE RECEIPTS.**

11 “(a) IN GENERAL.—At the request of the depositor  
12 of an agricultural product stored or handled in a ware-  
13 house licensed under this Act, the warehouse operator  
14 shall issue a receipt to the depositor as prescribed by the  
15 Secretary.

16 “(b) ACTUAL STORAGE REQUIRED.—A receipt may  
17 not be issued under this section for an agricultural prod-  
18 uct unless the agricultural product is actually stored in  
19 the warehouse at the time of the issuance of the receipt.

20 “(c) CONTENTS.—Each receipt issued for an agricul-  
21 tural product stored or handled in a warehouse licensed  
22 under this Act shall contain such information, for each  
23 agricultural product covered by the receipt, as the Sec-  
24 retary may require by regulation.

1       “(d) PROHIBITION ON ADDITIONAL RECEIPTS OR  
2 OTHER DOCUMENTS.—

3               “(1) RECEIPTS.—While a receipt issued under  
4 this Act is outstanding and uncanceled by the ware-  
5 house operator, an additional receipt may not be  
6 issued for the same agricultural product (or any por-  
7 tion of the same agricultural product) represented  
8 by the outstanding receipt, except as authorized by  
9 the Secretary.

10              “(2) OTHER DOCUMENTS.—If a document is  
11 transferred under this section, no duplicate docu-  
12 ment in any form may be transferred by any person  
13 with respect to the same agricultural product rep-  
14 resented by the document, except as authorized by  
15 the Secretary.

16       “(e) ELECTRONIC RECEIPTS AND ELECTRONIC DOC-  
17 UMENTS.—Except as provided in section 3(h)(2), notwith-  
18 standing any other provision of Federal or State law:

19              “(1) IN GENERAL.—The Secretary may promul-  
20 gate regulations that authorize the issuance, record-  
21 ing, and transfer of electronic receipts, and the  
22 transfer of other electronic documents, in accordance  
23 with this subsection.

24              “(2) ELECTRONIC RECEIPT OR ELECTRONIC  
25 DOCUMENT SYSTEMS.—Electronic receipts may be

1 issued, recorded, and transferred, and electronic doc-  
2 uments may be transferred, under this subsection  
3 with respect to an agricultural product under, a sys-  
4 tem or systems maintained in one or more locations  
5 and approved by the Secretary in accordance with  
6 regulations issued under this Act.

7 “(3) TREATMENT OF HOLDER.—Any person  
8 designated as the holder of an electronic receipt or  
9 other electronic document issued or transferred  
10 under this Act shall, for the purpose of perfecting  
11 the security interest of the person under Federal or  
12 State law and for all other purposes, be considered  
13 to be in possession of the receipt or other electronic  
14 document.

15 “(4) NONDISCRIMINATION.—An electronic re-  
16 ceipt issued, or other electronic document trans-  
17 ferred, in accordance with this Act shall not be de-  
18 nied legal effect, validity, or enforceability on the  
19 ground that the information is generated, sent, re-  
20 ceived, or stored by electronic or similar means.

21 “(5) SECURITY INTERESTS.—If more than one  
22 security interest exists in the agricultural product  
23 that is the subject of an electronic receipt or other  
24 electronic document under this Act, the priority of



1 the security interest shall be determined by the ap-  
2 plicable Federal or State law.

3 “(6) NO ELECTRONIC RECEIPT REQUIRED.—A  
4 person shall not be required to issue in electronic  
5 form a receipt or document with respect to an agri-  
6 cultural product.

7 “(7) OPTION FOR NON-FEDERALLY LICENSED  
8 WAREHOUSE OPERATORS.—Notwithstanding any  
9 other provision of this Act, a warehouse operator not  
10 licensed under this Act may, at the option of the  
11 warehouse operator and in accordance with regula-  
12 tions established by the Secretary, issue electronic  
13 receipts and transfer other electronic documents in  
14 accordance with this Act.

15 “(8) APPLICATION TO STATE-LICENSED WARE-  
16 HOUSE OPERATORS.—This subsection shall not  
17 apply to a warehouse operator that is licensed under  
18 State law to store agricultural commodities in a  
19 warehouse in the State if the warehouse operator  
20 elects—

21 “(A) not to issue electronic receipts au-  
22 thorized under this subsection; or

23 “(B) to issue electronic receipts authorized  
24 under State law.

1   **“SEC. 12. CONDITIONS FOR DELIVERY OF AGRICULTURAL**  
2                           **PRODUCTS.**

3           “(a) **PROMPT DELIVERY.**—In the absence of a lawful  
4 excuse, a warehouse operator shall, without unnecessary  
5 delay, deliver the agricultural product stored or handled  
6 in the warehouse on a demand made by—

7                   “(1) the holder of the receipt for the agricul-  
8 tural product; or

9                   “(2) the person that deposited the product, if  
10 no receipt has been issued.

11           “(b) **PAYMENT TO ACCOMPANY DEMAND.**—Prior to  
12 delivery of the agricultural product, payment of the ac-  
13 crued charges associated with the storage of the agricul-  
14 tural product, including satisfaction of the  
15 warehouseman’s lien, shall be made if requested by the  
16 warehouse operator.

17           “(c) **SURRENDER OF RECEIPT.**—When the holder of  
18 a receipt requests delivery of an agricultural product cov-  
19 ered by the receipt, the holder shall surrender the receipt  
20 to the warehouse operator, in the manner prescribed by  
21 the Secretary, to obtain the agricultural product.

22           “(d) **CANCELLATION OF RECEIPT.**—A warehouse op-  
23 erator shall cancel each receipt returned to the warehouse  
24 operator upon the delivery of the agricultural product for  
25 which the receipt was issued.

1   **“SEC. 13. SUSPENSION OR REVOCATION OF LICENSES.**

2           “(a) IN GENERAL.—After providing notice and an  
3 opportunity for a hearing in accordance with this section,  
4 the Secretary may suspend or revoke any license issued,  
5 or approval for an activity provided, under this Act—

6           “(1) for a material violation of, or failure to  
7 comply, with any provision of this Act (including  
8 regulations promulgated under this Act); or

9           “(2) on the ground that unreasonable or exorbi-  
10 tant charges have been imposed for services ren-  
11 dered.

12          “(b) TEMPORARY SUSPENSION.—The Secretary may  
13 temporarily suspend a license or approval for an activity  
14 under this Act prior to an opportunity for a hearing for  
15 any violation of, or failure to comply with, any provision  
16 of this Act (including regulations promulgated under this  
17 Act).

18          “(c) AUTHORITY TO CONDUCT HEARINGS.—The  
19 agency within the Department that is responsible for ad-  
20 ministering regulations promulgated under this Act shall  
21 have exclusive authority to conduct any hearing required  
22 under this section.

23          “(d) JUDICIAL REVIEW.—

24           “(1) JURISDICTION.—A final administrative de-  
25 termination issued subsequent to a hearing may be

1 reviewable only in a district court of the United  
2 States.

3 “(2) PROCEDURE.—The review shall be con-  
4 ducted in accordance with the standards set forth in  
5 section 706(2) of title 5, United States Code.

6 **“SEC. 14. PUBLIC INFORMATION.**

7 “(a) IN GENERAL.—The Secretary may release to the  
8 public the names, addresses, and locations of all persons—

9 “(1) that have been licensed under this Act or  
10 that have been approved to engage in an activity  
11 under this Act; and

12 “(2) with respect to which a license or approval  
13 has been suspended or revoked under section 13, the  
14 results of any investigation made or hearing con-  
15 ducted under this Act, including the reasons for the  
16 suspension or revocation.

17 “(b) CONFIDENTIALITY.—Except as otherwise pro-  
18 vided by law, an officer, employee, or agent of the Depart-  
19 ment shall not divulge confidential business information  
20 obtained during a warehouse examination or other func-  
21 tion performed as part of the duties of the officer, em-  
22 ployee, or agent under this Act.

23 **“SEC. 15. PENALTIES FOR NONCOMPLIANCE.**

24 “If a person fails to comply with any requirement of  
25 this Act (including regulations promulgated under this

1 Act), the Secretary may assess, on the record after an op-  
2 portunity for a hearing, a civil penalty—

3 “(1) of not more than \$25,000 per violation, if  
4 an agricultural product is not involved in the viola-  
5 tion; or

6 “(2) of not more than 100 percent of the value  
7 of the agricultural product, if an agricultural prod-  
8 uct is involved in the violation.

9 **“SEC. 16. JURISDICTION AND ARBITRATION.**

10 “(a) **FEDERAL JURISDICTION.**—A district court of  
11 the United States shall have exclusive jurisdiction over any  
12 action brought under this Act without regard to the  
13 amount in controversy or the citizenship of the parties.

14 “(b) **ARBITRATION.**—Nothing in this Act prevents  
15 the enforceability of an agreement to arbitrate that would  
16 otherwise be enforceable under chapter 1 of title 9, United  
17 States Code.

18 **“SEC. 17. AUTHORIZATION OF APPROPRIATIONS.**

19 “There are authorized to be appropriated such sums  
20 as are necessary to carry out this Act.”.

21 **SEC. 202. REGULATIONS.**

22 (a) **PROPOSED REGULATIONS.**—Not later than 90  
23 days after the date of the enactment of this Act, the Sec-  
24 retary of Agriculture shall publish in the Federal Register

1 proposed regulations for carrying out the amendment  
2 made by section 201.

3 (b) FINAL REGULATIONS.—Not later than 180 days  
4 after the date of the enactment of this Act, the Secretary  
5 shall promulgate final regulations for carrying out the  
6 amendment made by section 201.

7 (c) EFFECTIVENESS OF EXISTING ACT.—The United  
8 States Warehouse Act (7 U.S.C. 241 et seq.) (as it existed  
9 before the amendment made by section 201) shall be effec-  
10 tive until the earlier of—

11 (1) the date on which final regulations are pro-  
12 mulgated under subsection (b); or

13 (2) August 1, 2001.

Passed the House of Representatives October 10,  
2000.

Attest:

*Clerk.*